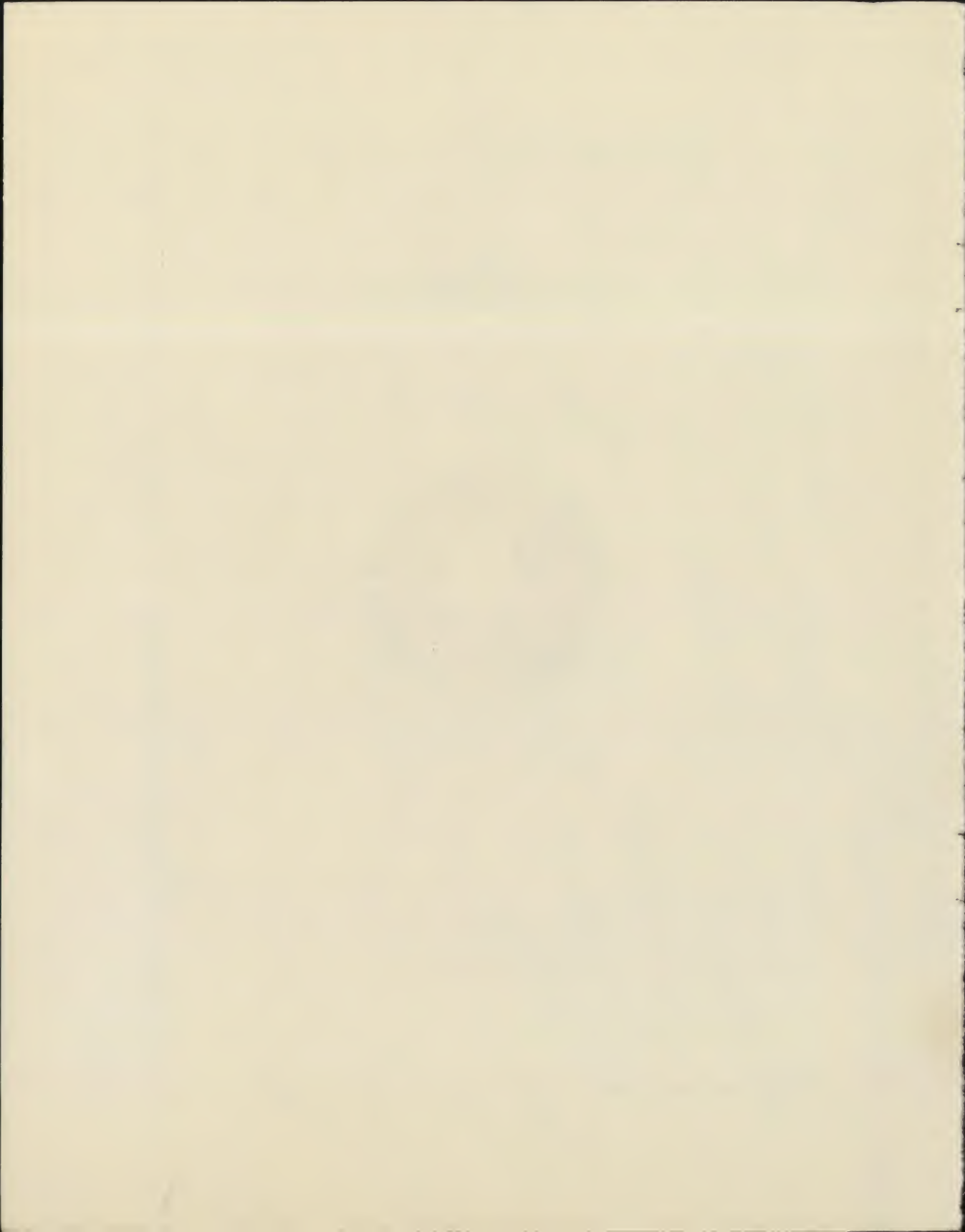


ANNUAL REPORT  
1932



WOOLWORTH BUILDING  
New York



New York, N. Y.  
February 27, 1933.

TO THE STOCKHOLDERS:

The consolidated balance sheet, earnings statement and surplus account of The Grand Union Company showing the result of operations for the year 1932 is herewith submitted.

After deducting depreciation, taxes and all other charges as well as new business development expenses (formerly capitalized) of \$113,558., the net profit for the fiscal year amounted to \$602,187.13. Total sales for the year were \$30,365,932., compared with \$35,640,225. in 1931, of which green coffee jobbing sales amounted to \$669,146. compared with \$382,646. in the preceding year. We estimate that lower commodity prices account for approximately the whole decline in dollar sales.

At the end of the year the company was operating 685 branches compared with 708 at the end of 1931. Our ratio of current assets to current liabilities is 5.43 to 1, and cash and securities on hand is in excess of the company's total current liabilities.

The management is confident that the company is in a position to benefit substantially upon the return of more stable conditions.

J. SPENCER WEED,  
President.

# THE GRAND UNION

AND ITS SUBSIDIARIES

## CONSOLIDATED BALANCE SHEET

December 31, 1933

### ASSETS

#### Current assets:

|   |  |                |                 |
|---|--|----------------|-----------------|
| Cash in banks and on hand   |  | \$ 908,189.44  |                 |
| New York State notes, at cost (lower than market value)                               |  | 100,000.00     | \$ 1,008,189.44 |
| Accounts receivable, less allowances:   |  |                |                 |
| Trade and miscellaneous   |  | \$ 865,747.20  |                 |
| Advances to agents  |  | 27,401.58      | 893,148.78      |
| Inventories of merchandise, materials and supplies, at cost (not in excess of market) |  |                | 2,975,419.61    |
| Premiums advanced to customers, net of profit sharing credits, at cost                |  | \$ 471,620.91  |                 |
| Less, Allowance for losses  |  | 46,218.85      | 425,402.06      |
| Prepaid expenses  |  |                | 77,467.89       |
| Cash surrender value of officer's life insurance                                      |  |                | 22,112.75       |
| Total current assets  |  |                | \$ 5,401,740.53 |
| Employees' fidelity fund cash and investments at approximate market values            |  |                | 7,083.64        |
| Investments, at cost (market values not generally ascertainable)                      |  |                | 53,906.63       |
| Real estate, at cost  |  |                | 382,304.21      |
| Machinery, fixtures and equipment, at cost  |  | \$3,318,057.31 |                 |
| Less, Allowances for depreciation   |  | 963,178.57     | 2,354,878.74    |
| Good will, etc.   |  |                | 5,285,527.09    |
| Deferred charges to operations  |  |                | 5,877.28        |

\$13,491,318.12

THE GRAND UNION COMPANY,  
New York, New York.

We have examined the accounts of THE GRAND UNION COMPANY and in our opinion, the above balance sheet and appended income and surplus accounts set forth the results of their operations for the year then ended.

New York, February 23, 1933.



# ION COMPANY

IDIARIES

## ALANCE SHEET

1, 1932

### LIABILITIES

#### Current liabilities:

|  |   |   |   |   |   |   |   |   |    |            |
|--|---|---|---|---|---|---|---|---|----|------------|
| Bankers' acceptances secured by coffee imports | . | . | . | . | . | . | . | . | \$ | 97,247.39  |
| Accounts payable                               | . | . | . | . | . | . | . | . |    | 798,239.00 |
| Accrued expenses                               | . | . | . | . | . | . | . | . |    | 35,217.04  |
| Provision for federal income tax               | . | . | . | . | . | . | . | . |    | 63,268.47  |

|                           |   |   |   |   |   |   |   |   |    |            |
|---------------------------|---|---|---|---|---|---|---|---|----|------------|
| Total current liabilities | . | . | . | . | . | . | . | . | \$ | 993,971.90 |
|---------------------------|---|---|---|---|---|---|---|---|----|------------|

|   |   |   |   |   |   |   |   |   |  |           |
|---|---|---|---|---|---|---|---|---|--|-----------|
| Employees' fidelity deposits                | . | . | . | . | . | . | . | . |  | 40,502.35 |
| Mortgages on real estate                    | . | . | . | . | . | . | . | . |  | 22,500.00 |
| Reserve for unredeemed premium tickets      | . | . | . | . | . | . | . | . |  | 50,000.00 |
| Miscellaneous reserves                      | . | . | . | . | . | . | . | . |  | 5,352.70  |
| Minority stockholders of subsidiary company | . | . | . | . | . | . | . | . |  | 6,321.16  |

\$ 1,118,648.11

Note: The company is contingently liable for a nominal amount of unused balances of letters of credit.

### CAPITAL

#### Capital stock:

Convertible preference stock without par value,  
entitled to \$60 per share on redemption or  
in liquidation:

Authorized 500,000 shares

Outstanding 159,550 shares of \$3 dividend  
series

\$7,977,500.00

Common stock without par value:

Authorized 750,000 shares

Voting trust certificates out-  
standing for 279,967  
shares

\$1,033,816.00

Less, In treasury, voting  
trust certificates for  
100 shares, at cost:

407.50

1,033,408.50

\$9,010,908.50

Surplus, as annexed

3,361,761.51

12,372,670.01

\$13,491,318.12

Subsidiaries as at December 31, 1932 and, on the basis stated therein, in our  
the consolidated financial condition of the companies at that date and the

LYBRAND, ROSS BROS. & MONTGOMERY

## for the year ended December 31, 1932

|   |  |  |  |  |  |  |  |  |  |  |  |                 |                  |
|---|--|--|--|--|--|--|--|--|--|--|--|-----------------|------------------|
| Sales   |  |  |  |  |  |  |  |  |  |  |  |                 | \$ 30,365,932.67 |
| Cost of sales   |  |  |  |  |  |  |  |  |  |  |  |                 | 22,263,939.58    |
| Gross profit  |  |  |  |  |  |  |  |  |  |  |  |                 | \$ 8,101,993.09  |
| Selling and general expenses:   |  |  |  |  |  |  |  |  |  |  |  |                 |                  |
| Store expenses, salaries of clerks, managers and superintendents and other expenses   |  |  |  |  |  |  |  |  |  |  |  | \$ 6,300,869.31 |                  |
| General expenses, including allowance for federal income tax  |  |  |  |  |  |  |  |  |  |  |  | 768,915.68      |                  |
| Depreciation of distributing equipment, etc.  |  |  |  |  |  |  |  |  |  |  |  | 333,165.80      | 7,402,950.79     |
| Profit from operations  |  |  |  |  |  |  |  |  |  |  |  |                 | \$ 699,042.30    |
| Miscellaneous income, interest, etc.  |  |  |  |  |  |  |  |  |  |  |  |                 | 16,703.09        |
| Net income, before deducting development expenses   |  |  |  |  |  |  |  |  |  |  |  |                 | \$ 715,745.39    |
| Expenses in connection with development of new retail outlets   |  |  |  |  |  |  |  |  |  |  |  |                 | 113,558.26       |
| Note: Development expenses were previously added to good will.<br>No such additions to good will have been made since 1930. |  |  |  |  |  |  |  |  |  |  |  |                 |                  |
| Net income  |  |  |  |  |  |  |  |  |  |  |  |                 | \$ 602,187.13    |

### CONSOLIDATED SURPLUS ACCOUNT

December 31, 1932

|   |   |   |   |                             |                             |
|---|---|---|---|-----------------------------|-----------------------------|
| Initial surplus, balance January 2, 1932 and December 31, 1932  | - | - | - | -                           | \$ 904,290.62               |
| Capital surplus:  |   |   |   |                             |                             |
| Balance, January 2, 1932  | - | - | - | -                           | \$ 773,672.06               |
| Add:  |   |   |   |                             |                             |
| Excess of declared value at which originally issued over cost of preference shares purchased and retired                |   |   |   | \$ 41,535.00                |                             |
| Excess of selling price over cost of common shares purchased and resold   |   |   |   | 665.00                      |                             |
|   |   |   |   | <u>\$ 42,200.00</u>         |                             |
| Deduct, Good will of stores purchased during year, written off  |   |   |   | 8,632.09                    | 33,567.91                   |
|   |   |   |   | <u>                    </u> | <u>                    </u> |
| Balance, December 31, 1932  | - | - | - | -                           | 807,239.97                  |
| Earned surplus:   |   |   |   |                             |                             |
| Balance, January 2, 1932  | - | - | - | -                           | \$1,653,191.23              |
| Add, Net income for the year ended December 31, 1932  | - | - |   |                             | 602,187.13                  |
|   |   |   |   | <u>                    </u> | <u>                    </u> |
| Deduct:   |   |   |   |                             | \$2,255,378.36              |
| Loss on obsolete furniture and fixtures disposed of and unamortized balances of leasehold improvements in closed stores |   |   |   | \$123,797.44                |                             |
| Dividends paid on preference stock  |   |   |   | 481,350.00                  | 605,147.44                  |
|   |   |   |   | <u>                    </u> | <u>                    </u> |
| Balance, December 31, 1932  | - | - | - | -                           | 1,650,230.92                |
| Total surplus, December 31, 1932  | - | - | - | -                           | \$ 3,361,761.51             |

## OFFICERS

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J. SPENCER WEED  
*President*

LANSING P. SHIELD  
*Vice-President*

LOUIS C. WADMOND  
*Vice-President*

O. B. WESTPHAL  
*Vice-President*

WILLIAM C. McFEELY  
*Secretary*

SAMUEL WINOKUR  
*Treasurer*



## DIRECTORS

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RALPH T. CRANE

JOHN FOSTER DULLES

RAY MORRIS

JOHN W. PRENTISS

J. SPENCER WEED

